

London's Hackney Council to impose £58m cuts package

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Hackney council's budget deficit could be as high as £76m next year, according to a leak from a recent meeting held by Labour and Conservative councillors. The December meeting gave the green light to a cuts package of £58m over three years, which would devastate essential services and lead to thousands of job cuts in this inner London borough.

A joint statement by the leaders of Hackney's Labour-Tory coalition said, "This will be a painful process. We will have to make staff cuts and we will have to make changes to staff terms and conditions".

Among the early proposals are:

- * Between 1,000-3,000 job losses, as well as cuts in council workers' pay and conditions.
- * Privatisation of refuse services, meaning 280 staff could be laid off immediately, to save £4.5m.
- * Closure of schools, nurseries elderly day care centres, selling off land to property developers.
- * Schools will have no new equipment supplied for disabled children and no more children will be registered for special needs.

The council is proposing to issue statutory 90-day redundancy notices to the entire workforce and to re-employ them on lower wages.

Hackney, one of the poorest London boroughs, is burdened by crippling debt repayments to the City of £65m per year. The estimated £58m cuts and proposed 10 percent increase in Council Tax every year for the next three years have been met with anger and opposition amongst workers and large sections of the community. Protests such as occupations of school nurseries and strikes have been held over the last two months.

The cuts will hit the most vulnerable sections first. Low paid workers, the unemployed and single mothers will be made to pay through increased rents and hikes

in Council Tax. Private landlords and the council's own housing department have served over a thousand eviction notices because of unpaid arrears all ready.

Hackney is the fourth poorest borough in Britain; it has the highest number of single mothers anywhere in the country and one of the worst unemployment levels. Of the 1,370 most deprived estates, Hackney has 112. Fifty percent of all households rely on the Local Authority for their housing needs. Thirty percent of residents are living on £5,000 per year or less, while sixty percent survive on less than £10,000.

Hackney suffered 18 years of under funding under successive Tory administrations. Local taxing capabilities were capped and some £30bn worth of services were given over to unelected bodies. Today's Labour-Tory coalition has continued these attacks.

The borough is Labour's flagship for the privatisation of local provisions. It was the first authority to have some of its key education services privatised. The council adopted the government's Private Finance Initiative (PFI), in which private sector companies design, build, own and operate public facilities in return for an annual fee for the duration of the contract.

Service Team, a private company, has just been awarded an £8m contract to take over waste collection and street cleaning. Hackney privatised its housing benefit department in 1997, giving a ten-year-£10m contract to ITNet. It is now embroiled in a legal wrangle to bring the service back in-house, after 20,000 people incurred rent arrears due to unprocessed claims.

The council has brought in Nord Anglia to run its six "failing schools". Next year, over £600,000 will be cut from the budget for early education. Three reports by the government's education watchdog Ofsted have criticised Hackney's handling of education, claiming that a third of Hackney's education provision is

"unsatisfactory".

The council is pushing through the closure of the six troubled schools and is looking at ways to sell off the prime land they presently occupy to property developers, and the council already has close links with a number of City firms that would be interested in what is extremely expensive land. Rents on the fringe of the City of London reach £30 per sq. foot, while in neighbouring Dalston they are only £6.

The Bibs and Braces nursery has already been closed and the Atherden Day Nursery's closure has only been delayed by parental action.

Even so, Hackney's Labour-Tory coalition has been attacked for not going far enough. The Blair government has used powers recently passed under the Local Government Act, to directly impose their policies on councils.

"Hit squads" have been sent in with the power to freeze council spending and implement cuts and sackings. The government froze spending for 21 days and made councillors legally responsible for any over spending. Local Government Minister Hilary Armstrong warned that radical options were being considered to take other services away from the council if it failed to meet its commitments and satisfy inspectors from the audit commission next year.

The Public sector unions such as Unison and GMB have done nothing to halt cuts in jobs, services and conditions. In December a one-day strike was held, yet the unions refused to call out workers from the newly privatised refuse and street cleaning services, as this would break the anti-union laws. Strikes planned for January 29 have not included teachers and only 3,000 out of a workforce of 7,000 will be brought out.



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